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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/810,542	03/27/2004	Justice C. Rines		8972
41840	7590	02/29/2008	EXAMINER	
RINES & RINES			CRANFORD, MICHAEL D	
24 Warren St.			ART UNIT	PAPER NUMBER
CONCORD, NH 03301			4143	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/810,542	RINES, JUSTICE C.	
	Examiner	Art Unit	
	MICHAEL D. CRANFORD	4143	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 27 March 2004.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-20 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-20 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on 3/27/04 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____ .
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date _____.	6) <input type="checkbox"/> Other: _____ .

DETAILED ACTION

Status of Claims

1. This action is in reply to the application filed on 27 March 2004.
2. Claims 1-20 are currently pending and have been examined.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 1, 4, 7-11, 14, 17-20 are rejected under 35 U.S.C. 102(b) as being unpatentable over Cooper et al. (US PGP 2001/0051996 A1).

5. **Claim 1:**

Cooper et al. shown, discloses the following limitations:

- *enabling subscribing Internet consumers to access the established ISP gateway under a predetermined ISP/consumer relationship* (see at least page 10 paragraph 0137...Netscape (ISP) has a mechanism to store and manipulate encryption keys and digital certificates....providing a more secure downloading of electronic media by consumers)

- *embedding the respective vendor media with identifying digital code watermarking* (see at least page 2 paragraph 0019... a watermark is generated by the system which relates to the content to be downloaded, the source of the content and the identity of user....watermark is inserted into the content prior to its downloading to the user)
- *passing through said ISP gateway the respective code-embedded vendor media to the respective subscribing consumers for downloading* (see at least page 2 paragraph 0019....method for distributing content over a network...digital certificate of the user is then authenticated...user is allowed to search for and select content to be downloaded ...a water mark is generated by the system which relates to the content to be downloaded)
- *implementing said ISP gateway also to serve as a media tollbooth, tracking and identifying the respective code-embedded vendor media passing through the ISP gateway to the respective subscribing consumers and automatically adding to said predetermined ISP/consumer billing* (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)
- *further billing charges of the respective media vendors for such respective consumer downloading usage* (see at least page 2 paragraph 0018...transaction module is coupled to the interface module and configured to initialize a transaction with the user/vendor, authenticate the identity of the user, obtain a digital certificate related to said user/vendor, search for content desired by said user, implement a payment transaction with the user)

6. Claim 4:

Cooper et al. shown, discloses the following limitations:

- *media are selected from the group consisting of music records, movies and software products* (see at least page 2 paragraph 0019...user is allowed to search for and select content to be downloaded....a watermark is generated by the system which relates to the content to be downloaded...such content for example...music)

7. Claim 7:

Cooper et al. shown, discloses the following limitations:

- *enabling subscribing Internet consumers to access the established ISP gateway under a predetermined ISP/consumer relationship* (see at least page 10 paragraph 0137...Netscape (ISP) has a mechanism to store and manipulate encryption keys and digital certificates....providing a more secure downloading of electronic media by consumers)
- *implementing said ISP gateway also to direct passage of said vendor digital recorded media through said gateway to the respective subscribing consumers* (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately) *performing the further function of a tollbooth as a service to vendors and consumers for tracking the digital recorded media passing through said gateway* (see at least page 7 paragraph 0093....GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)

8. Claim 8:

Cooper et al. shown, discloses the following limitations:

- *tollbooth function includes collecting or billing for vendor charges for such downloading* (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)

9. Claim 9:

Cooper et al. shown, discloses the following limitations:

- *said billed vendor charges are distributed, credited or allocated to the respective vendors, with said ISP gateway retaining a service charge* (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)

10. Claim 10:

Cooper et al. shown, discloses the following limitations:

- *tracking is aided by respective media- embedded digital identifying code readable by said ISP gateway as the respective recorded media pass therethrough* (see at least page 5 paragraph 0063...(see at least page 2 paragraph 0019... a watermark is generated by the system which relates to the content to be downloaded, the source of the content and the identity of user....watermark is inserted into the content prior to its downloading to the user)

11. Claim 11:

Cooper et al. shown, discloses the following limitations:

- *enabling subscribing Internet consumers to access the established ISP gateway under a predetermined ISP/consumer relationship* (see at least page 10 paragraph 0137...Netscape (ISP) has a mechanism to store and manipulate encryption keys and

digital certificates....providing a more secure downloading of electronic media by consumers)

- *enabling the vendors to download their respective media, in the Internet, with each respective vendor media being embedded with respective identifying digital code watermarking (see at least page 2 paragraph 0019... a watermark is generated by the system which relates to the content to be downloaded, the source of the content and the identity of user....watermark is inserted into the content prior to its downloading to the user)*
- *passing through said ISP gateway the respective code-embedded vendor media to the respective subscribing consumers for downloading (see at least page 2 paragraph 0019....method for distributing content over a network...digital certificate of the user is then authenticated...user is allowed to search for and select content to be downloaded ...a water mark is generated by the system which relates to the content to be downloaded)*
- *implementing said ISP gateway also to serve as a media tollbooth, with means for tracking and identifying the respective code-embedded vendor media passing through the ISP gateway to the respective subscribing consumers and means for automatically adding to said predetermined ISP/consumer billing (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)*
- *further vendor billing charges of the respective media vendors for such respective consumer downloading usage (see at least page 2 paragraph 0018...transaction module is coupled to the interface module and configured to initialize a transaction with the user/vendor, authenticate the identity of the user, obtain a digital certificate related to said user/vendor, search for content desired by said user, implement a payment transaction with the user)*

12. Claim 14:

Cooper et al. shown, discloses the following limitations:

- *media are selected from the group consisting of music records, movies and software products (see at least page 2 paragraph 0019...user is allowed to search for and select content to be downloaded....a watermark is generated by the system which relates to the content to be downloaded...such content for example...music)*

13. Claim 17:

Cooper et al. shown, discloses the following limitations:

- *enabling subscribing Internet consumers to access the established ISP gateway under a predetermined ISP/consumer relationship (see at least page 10 paragraph 0137...Netscape (ISP) has a mechanism to store and manipulate encryption keys and digital certificates....providing a more secure downloading of electronic media by consumers)*
- *implementing said ISP gateway also to direct vendor digital recorded media through said gateway to the respective subscribing consumers (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)*
- *performing the further function of a tollbooth for the vendors for tracking the digital recorded media passing through said gateway (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)*

14. Claim 18:

Cooper et al. shown, discloses the following limitations:

- *tollbooth function includes means for collecting, billing or crediting for vendors, the charges for such downloading (see at least page 7 paragraph 0093...GDRAS monitors*

digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)

15. Claim 19:

Cooper et al. shown, discloses the following limitations:

- *vendor charges are distributed to the respective vendors, with said ISP gateway retaining or otherwise making a service charge (see at least page 7 paragraph 0093...GDRAS monitors digital certificates that are issued specifically for content files....in addition GDRAS checks the transaction database for the total amount of money collected from the user, and apportion all monies collected appropriately)*

16. Claim 20:

Cooper et al. shown, discloses the following limitations:

- *tracking is aided by providing embedded digital-code identification in said media, and by means for detecting such code in said ISP gateway as the respective code-embedded recorded media pass therethrough (see at least page 2 paragraph 0019... a watermark is generated by the system which relates to the content to be downloaded, the source of the content and the identity of user....watermark is inserted into the content prior to its downloading to the user)*

Claim Rejections - 35 USC § 103

17. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be

patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

18. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

19. Claims 2, 3, 12 and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooper et al. (US PGP 2001/0051996 A1) in view of Himeno et al. (US PGP 2004/0254851 A1).

20. Claim 2:

Cooper et al. discloses the limitations as shown in the rejections above. Cooper et al. does not disclose the following limitations, but Himeno et al. however, as shown, does:

- *such respective further billing charges for respective consumer downloading usage are distributed or credited amongst the respective appropriate media vendors (see at least page 7 paragraph 0162....system operator remits the contents usage fees collected from the subscribers, minus the due charges or the system operator, to the electronic merchandise distribution apparatus)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the billing of consumer downloading of material and taking such fees distributing them to

vendors/others because this would ensure proper payment to all parties such as artist and distributors.

21. Claim 3:

Cooper et al. discloses the limitations as shown in the rejections above. Cooper et al. does not disclose the following limitations, but Himeno et al. however, as shown, does:

- *ISP gateway retains a service fee from said further billing charges* (see at least page 7 paragraph 0162...system operator 13 remits the contents usage fees collected from the subscribers, minus the due charges of the system operator, to the electronic merchandise distribution apparatus 1)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the retaining of a service fee by the ISP gateway from consumers because this would ensure payment to the ISP for services provided to the user.

22. Claim 12:

Cooper et al. discloses the limitations as shown in the rejections above. Cooper et al. does not disclose the following limitations, but Himeno et al. however, as shown, does:

- *further respective vendor billing charges for respective consumer downloading usage are distributed or credited amongst the respective appropriate media vendors* (see at least page 7 paragraph 0162...system operator 13 remits the contents usage fees collected from the subscribers, minus the due charges of the system operator, to the electronic merchandise distribution apparatus 1)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine vendor billing charges for respective consumer usage then distribute payment to respective parties because this would ensure proper payment to those providing electronic media and or services to consumers.

23. Claim 13:

Cooper et al. discloses the limitations as shown in the rejections above. Cooper et al. does not disclose the following limitations, but Himeno et al. however, as shown, does:

- *ISP gateway retains a service fee from said further billing charges or otherwise (see at least page 7 paragraph 0162...system operator 13 remits the contents usage fees collected from the subscribers, minus the due charges of the system operator, to the electronic merchandise distribution apparatus 1)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the collecting of a service fee to the ISP gateway because this would ensure payment to the ISP for services provided to the consumer.

24. Claims 5, 6, 15 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooper et al. (US PGP 2001/0051996 A1) in view of Himeno et al. (US PGP 2004/0254851 A1) and further in view of Levy (US PGP 2002/0052885 A1).

25. Claim 5:

Cooper et al. and Himeno et al. discloses the limitations as shown in the rejections above. Cooper et al. and Himeno et al. does not disclose the following limitations, but Levy however, as shown, does:

- *media are music records, and the distribution includes to the respective music record vendors (see at least page 5 paragraph 0065...MP3 content owners, such as Emusic.com, and MP3.com can embed their songs with copyright bits that control file sharing without audibility issues, and can additionally embed unique IDs that can be used to connect content back to the retailers and the artist's web site for increased e-commerce options)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the distribution of music from music vendors because this would ensure that consumers receive specific electronic media, media that is only music.

26. Claim 6:

Cooper et al. and Himeno et al. discloses the limitations as shown in the rejections above.

Cooper et al. and Himeno et al. does not disclose the following limitations, but Levy however, as shown, does:

- *distribution also includes royalties and related payments to performing artists and musicians, composers and record producers and distributors (see at least page 7 paragraph 0093....a Global Digital Rights Apportionment System (GDRAS) makes it possible to apportion the money that is designated for artists, copyright owners, content owners, and other deserving entities in an efficient manner)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the distribution of electronic media with the payment of fees to artists/musicians because this would ensure payment to the artists/musicians who created the electronic media/music.

27. Claim 15:

Cooper et al. and Himeno et al. discloses the limitations as shown in the rejections above.

Cooper et al. and Himeno et al. does not disclose the following limitations, but Levy however, as shown, does:

- *media are music records, and the distribution includes to the respective music record vendors (see at least page 5 paragraph 0065...MP3 content owners, such as Emusic.com, and MP3.com can embed their songs with copyright bits that control file sharing without audibility issues, and can additionally embed unique IDs that can be used to connect content back to the retailers and the artist's web site for increased e-commerce options)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the charging of royalty fees for the music/media being downloaded because this would ensure payment to artist/musicians for the use of their recordings and or work.

28. Claim 16:

Cooper et al. and Himeno et al. discloses the limitations as shown in the rejections above.

Cooper et al. and Himeno et al. does not disclose the following limitations, but Levy however, as shown, does:

- *distribution also includes royalties and related payments to performing artists and musicians, composers and record producers and distributors* (see at least page 7 paragraph 0093...a Global Digital Rights Apportionment System (GDRAS) makes it possible to apportion the money that is designated for artists, copyright owners, content owners, and other deserving entities in an efficient manner)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the distribution of media/music with royalty fees and other payments because this would ensure that recording artists receive payment for the downloading of their material.

CONCLUSION

Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Michael D. Cranford** whose telephone number is **571-272-3106**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **James A. Reagan** can be reached at **571-270-6710**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).

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/ Michael Cranford / Examiner / Art Unit 4143 /
February 15, 2008
/James A. Reagan/Supervisory Patent Examiner, Art Unit 4143